

(4)(a)(i) for production occurring in that quarter.

(d) For the purposes of subsection (5)(c), the average price per barrel must be computed by dividing the sum of the daily price for west Texas intermediate crude oil as reported in the

Wall Street Journal for the calendar quarter by the number of days on which the price was reported in the quarter."

Senate Bill No. 412 was enacted as Ch. 451, L. 1995.

15-36-305. (Effective January 1, 1996) Determination of gross value of product. The total gross value of all oil or natural gas produced and sold each quarter must be determined by taking the total number of barrels or cubic feet of oil or natural gas produced and sold each month at the average value at the mouth of the well during the month that the oil or natural gas is produced and sold, as determined by the department. However, in computing the total number of barrels of oil or cubic feet of gas produced and sold, there must be deducted the amount of oil or gas used by the person in connection with the operation of the well from which the oil or gas is produced or for pumping the oil or gas from the well to a tank or pipeline.

History: En. Sec. 5, Ch. 451, L. 1995.

15-36-306 through 15-36-308 reserved.

15-36-309. (Effective January 1, 1996) Certain royalties exempt. Exempt from taxation are royalties received by:

- (1) an Indian tribe with respect to on-reservation oil and gas production pursuant to a lease entered into under the Indian Mineral Leasing Act of 1938, 25 U.S.C. 396a-396g;
- (2) the United States as trustee for individual Indians; and
- (3) the United States, the state of Montana, or a county or municipal government in Montana.

History: En. Sec. 6, Ch. 451, L. 1995.

15-36-310. (Effective January 1, 1996) Operator responsible for payment — deduction of taxes from royalty payments. (1) Each operator required to pay the oil and natural gas production tax under this part shall pay the tax in full for the operator's own account and for the account of each of the other owners of the gross value of product or in kind of all the marketable oil or natural gas produced and sold. Other owners include an owner or owners of working interest, royalty interest, overriding royalty interest, carried working interest, production payments, and all other interest or interests owned or carved out of the total gross value of product or in kind of the extracted marketable oil or natural gas.

(2) Unless otherwise provided in a contract or lease, the pro rata share of any royalty owner or owners must be deducted from any settlements under the lease or leases or division of proceeds orders or other contracts.

History: En. Sec. 7, Ch. 451, L. 1995.

15-36-311. (Effective January 1, 1996) Quarterly payment of tax — statement — failure to pay penalty. (1) The oil and natural gas production tax must be paid in quarterly installments for the quarterly periods ending, respectively, March 31, June 30, September 30, and December 31 of each year, and the amount of the tax for each quarterly period must be paid to the department within 60 days after the end of each quarterly period.